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FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: HB 1739

NOTE PREPARED: Mar 16, 2007

BILL AMENDED: Mar 15, 2007

SUBJECT: Sale of Handguns and Criminal History Data Fund.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR: Sen. Nugent

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Form 4473*: This bill eliminates the requirement that a firearms dealer, after selling a handgun, must forward a copy of Bureau of Alcohol, Tobacco, Firearms and Explosives Form 4473, completed and signed by a handgun purchaser, to the State Police Department.

Criminal History Data Fund: The bill establishes the fund for the purpose of (1) operating and maintaining the central repository for criminal history data; and (2) establishing, operating, and maintaining an electronic system for the processing of handgun license applications and renewals. The bill permits money in the fund to be used to establish, operate, and maintain an electronic log to record the sale of ephedrine and pseudoephedrine. It provides that certain handgun license fees will be deposited in the fund, and repeals a provision requiring that certain handgun licensing fees be deposited in the General Fund.

Penalty Provision: The bill makes it a Class B misdemeanor to manufacture, possess, or sell a ballistic knife, and removes provisions making it illegal to manufacture, possess, or sell other knives with blades that open automatically.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Form 4473*: This provision should have little impact on the ISP in terms of administrative expenses. In fact, it could reduce administrative expenses. Currently, the ISP receives the form and retains them for about 30 days. The bill would eliminate the requirement that the ISP process and retain the form for this limited time. The information contained on the form would be available on a federal database.

Criminal History Data Fund: The fund is established for the purpose of providing funds for operating and maintaining the central repository for criminal history data; and establishing, operating, and maintaining an electronic system for the processing of handgun license applications and renewals. In addition, at the discretion of the superintendent of the Indiana State Police (ISP), the fund may be used to establish, operate, or maintain an electronic log to record the sale of drugs containing ephedrine or pseudoephedrine.

The fund must be administered by the ISP. Expenses of administering the fund must be paid from money in the fund.

Explanation of State Revenues: *Summary:* The impact to the state General Fund would be a reduction in revenues of \$1.1 M. This amount, which is currently deposited in the state General Fund, would instead be deposited in the Criminal History Data Fund.

The Treasurer of State must invest money in the Criminal History Data Fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Money in the fund at the end of a state fiscal year does not revert to the state General Fund.

Background: IC 10-13-3-40 (b) provided that if the amount of money that is deposited in the state General Fund during a fiscal year from handgun license fees exceeds \$1.1 M, the excess is appropriated from the state General Fund to the ISP for operating and maintaining the central repository for criminal history data or operating an electronic log to record the sale of drugs containing ephedrine or pseudoephedrine. The proposal repeals this provision.

(Revised) *Penalty Provision:* The bill modifies current statute to say that a person must knowingly or intentionally manufacture, possess, display, offer, sell, lend, give away, or purchase, a ballistic knife to be guilty of a Class B misdemeanor. Current statute states that a person is guilty of a Class B misdemeanor if a person manufactures, possesses, displays, offers, sells, lends, gives away, or purchases, any knife with a blade that opens automatically or may be propelled by hand pressure applied to a button, device containing gas, or other device in the handle of the knife.

The provision could affect the number of convictions for the offense. Actual changes are indeterminable. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, if the number of convictions increases any additional revenue would likely be small. Should the number of convictions decrease, revenue to the Common School Fund and state General Fund would decrease minimally.

Explanation of Local Expenditures: (Revised) *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: (Revised) *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small. Should fewer court actions occur, local governments would experience a minimal decrease in revenue.

State Agencies Affected: Attorney General; ISP.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: ISP.

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